

UNITED STATES ENVIRONMENTAL PROTECTION AGENCY REGION IX 75 Hawthorne Street San Francisco, CA 94105

April 3, 2008

Glenn C. McElroy, President Pick-Your-Part Auto Wrecking 1301 E. Orangewood Ave. Anaheim, CA 92805

Re: Continued Funding of the San Fernando Valley North Hollywood Existing Remedy

Dear Glenn C. McElroy:

As you may already be aware, the United States Environmental Protection Agency, Region IX ("EPA"), is in the process of developing a new remedy for groundwater cleanup at the North Hollywood Operable Unit ("NHOU") of the San Fernando Valley – Area 1 Superfund Site. As set forth in Section I. F. of the 1996 Partial Consent Decree and the 1997 Second Partial Consent Decree in *United States v. Allied Signal et al.* (the "Consent Decrees"), the remedy selected in the 1987 Record of Decision ("First Interim Remedy") was intended to operate for fifteen years. Since the fifteen-year term for the First Interim Remedy ended in December, 2004, EPA has continued to operate the NHOU extraction and treatment system (the "Existing Remedy") using the remaining funds in the special account established pursuant to the Consent Decrees ("Consent Decree Funds"). EPA expects that the Consent Decree Funds, however, will be exhausted by June 30, 2008.

Over the last two years, EPA has been evaluating alternatives for a new remedy that will more effectively contain the plume, address VOC contamination discovered in new areas of the NHOU, and address emerging contaminants, e.g., hexavalent chromium (the "New Remedy"). EPA anticipates issuing a proposed plan in the spring of 2008, finalizing a record of decision ("ROD") for the New Remedy in September, 2008, and issuing special notice for consent decree negotiations to implement the ROD shortly thereafter. The New Remedy, however, is not likely to begin operating for several years.

In order to maintain containment of the plume and protect drinking water wells owned and operated by the Los Angeles Department of Water and Power ("LADWP"), the Existing Remedy must continue operating after the Consent Decree Funds expire in June 2008 and before the New Remedy becomes operational (the "Intervening Period").

EPA would like to discuss options for ongoing funding of the Existing Remedy during the Intervening Period. Estimated annual costs for continued operation of the Existing Remedy are \$500,000.

If EPA and the signatories to the Consent Decrees cannot reach an agreement to keep the Existing Remedy operating during the Intervening Period, EPA will either: (1) order the PRPs to contain the plume during the Intervening Period; or (2) fund operation of the Existing Remedy itself and recover costs from the potentially responsible parties (the "PRPs") at a later date. In addition to the above-listed possibilities, the PRPs also face potential liability to (1) LADWP if the Existing Remedy ceases to operate and NHOU contamination impacts additional LADWP wells or if its ability to deliver water to its customers is compromised; and (2) the State of California if it incurs costs associated with operating the Existing Remedy during the Intervening Period.

EPA believes that this process can be carried out most efficiently and constructively by meeting directly with the recipients of this letter or their representatives, and we are hereby inviting you to meet with us at EPA's Los Angeles offices on Thursday, May 1, 2008, at 10:00 am. EPA expects that the recipients of this letter will make a decision about whether they intend to fund operation of the Existing Remedy during the Intervening Period by Thursday, May 15, 2008. For your information and to facilitate organization, we have enclosed the names and addresses of the parties that have received this letter.

Sincerely,

Michael Massey

Assistant Regional Counsel

US EPA ORC-3

75 Hawthorne Street

San Francisco, California 94105

(415) 972-3034

massey.michael@epa.gov

cc: Rachel Loftin, EPA Christopher T. Johnson

For Aircraft Service International, Inc. (successor to Airport Group International, Inc.):

Keith P. Ryan, President and CEO Aircraft Service International, Inc. 201 S. Orange Ave., Suite 1100 Orlando, FL 32801 (407) 648-7373

Patricia Annunziato, Senior Legal Counsel Aircraft Service International Group 201 S. Orange Ave., Suite 1100A Orlando, FL 32801 (407) 648-7373

For the Amended Cooke Family Trust:

Jerry L. Conrow, Co-Trustee Amended Cooke Family Trust c/o Jerry L. Conrow & Company 23871 Madison St. Torrance, CA 90505-6008 (310) 378-8318

William L. Cooke, Co-Trustee Amended Cooke Family Trust 2972 S. Holguin Way Chandler, AZ 85286

For CalMat Co.:

R. McAbee, President CalMat Co. 3200 San Fernando Rd. Los Angeles, CA 90065 (323) 258-2777

Kenneth A. Ehrlich Jeffer Mangels Butler & Marmaro LLP 1900 Avenue of the Stars, 7th Floor Los Angeles, CA 90067 (310) 203-8080

For Lockheed Martin Corporation:

Robert J. Stevens, President and CEO Lockheed Martin Corporation 6801 Rockledge Dr. Bethesda, MD 20817-1877 (301) 897-6000

C. Douglas Goins, Assistant General Counsel Lockheed Martin Corporation 6801 Rockledge Drive MP: CLE620 Bethesda, MD 20817 (301) 214-3402

Alan N. Bick, Esq. Gibson, Dunn & Crutcher LLP 4 Park Plaza Irvine, CA 92614 (949) 451-4211

For Pick-Your-Part Auto Wrecking:

Glenn C. McElroy, President Pick-Your-Part Auto Wrecking 1301 E. Orangewood Ave. Anaheim, CA 92805 (714) 385-1301

Christopher T. Johnson Dongell Lawrence Finney Claypool LLP 707 Wilshire Blvd., 45th Floor Los Angeles, CA 90017 (213) 943-6100

For Waste Management Recycling and Disposal Services of California, Inc.:

Duane C. Woods, President
Waste Management Recycling and Disposal Services of California, Inc.
1001 Fannin Street, Suite 4000
Houston, TX 77002
(713) 512-6200

David M. Winfrey, Senior Legal Counsel Waste Management 1001 Fannin Street, Suite 4000 Houston, TX 77002 (713) 265-1431

For California Car Hikers Service:

Nathan B. Adlen, President California Car Hikers Service 11590 Tuxford Street Sun Valley, CA 91352 (818) 504-1091

Richard E. Williamson Ezer, Williamson & Brown LLP 1888 Century Park East, Suite 1550 Los Angeles, CA, 90067 (310) 277-7747

For Hawker Pacific Aerospace:

Richard A. Fortner, President Hawker Pacific Aerospace 11240 Sherman Way Sun Valley, CA 91352 (818) 765-6201

Norman B. Berger Varga Berger Ledsky Hayes & Casey Santa Fe Building 224 S. Michigan Ave., Ste. 350 Chicago, IL 60604 (312) 341-9400 or (312) 341-9870

For Honeywell International Inc. (fka, Allied-Signal Inc.):

David M. Cote, President Honeywell International Inc. 101 Columbia Rd. Morristown, NJ 07962 (973) 455-2000

Sean Morris Arnold & Porter LLP 777 S. Figueroa St., 44th Floor Los Angeles, CA 90017-5844 (213) 243-4222

For Los Angeles By-Products Co.:

M.R. McAllister, President Los Angeles By-Products Co.: 4050 Katella Ave., Suite 209 Los Alamitos, CA 90720 (562) 431-3090

Raul M. Montes Greenwald, Hoffman, Meyer & Montes, LLP 500 North Brand Blvd., Suite 920 Glendale, CA 91203 (818) 507-8100 or (213) 381-1131

For the Basinger Trusts and Wagner Trusts:

The Basinger Trusts Viola M. Basinger, Trustee c/o Don Basinger 2246 Ridgemont Dr. Los Angeles, CA 90046

The Wagner Trusts Linda Wagner Lipscomb, Trustee 400 Hillcrest St. El Segundo, CA 90245

Patricia O'Toole, Attorney The O'Toole Law Firm 333 South Grand Ave. 42nd Floor Los Angeles, CA 90071 (213) 630-4200

The following parties, who were signatories to the 1996 Partial Consent Decree or 1997 Second Partial Consent Decree, have not been sent this letter for the following reasons:

Sam Adlen is deceased

Chase Chemical Company, Inc. has been dissolved

Erik & Else Bruun-Andersen Trust was terminated under the terms of the trust documents

Fleetwood Machine Products, Inc. has been dissolved

Pacific Steel Treating Co., Inc. has been dissolved

The following parties, who were also signatories to the 1997 Second Partial Consent Decree, have not been sent this letter because they were third party defendants:

AVX Corporation **AVX Filters Corporation** Benjamin Family Trust Benjamin, Herman & Isabel Blomberg, Jean W. Browning-Ferris Industries of California, Inc. Crown Disposal Company, Inc. E.I. du Pont de Nemours and Company Hamilton Sundstrand Corporation (successor to Sundstrand Corporation) HR Textron Inc. Jac-Nup Corporation (fka, Nupla Corporation) Los Angeles County Metropolitan Transportation Authority O'Brien, Gary L. O'Brien, Joan A. Parker-Hannifin Corporation Price Pfister, Inc. Soco West, Inc. (successor to Holchem, Inc.) Testing Holdings U.S.A., Inc. (successor to Inchcape, Inc. and Flight Accessory Services, Inc.) Textron Inc. Tolson, William E. Unitrode Corporation (successor to U.S. Microtek Components)

Western Waste Industries, Inc.



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April 7,2008

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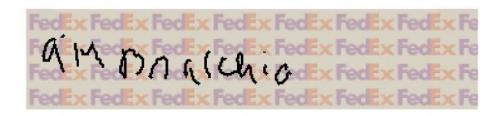
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April 7,2008

Dear Customer:

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